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08283166   SUPPLIER NUMBER: 17597979   (USE FORMAT 7 OR 9 FOR FULL TEXT)
  Concentra and i2 Technologies to integrate sales configuration with global
  supply chain management; Product configuration recognized as critical
  link in intelligent global supply chain management.
Business Wire, p10101141
Oct 10, 1995
LANGUAGE: English   RECORD TYPE: Fulltext
WORD COUNT: 497   LINE COUNT: 00051

TEXT:
     Corp. (Nasdaq: CTRA) a leading supplier of sales and engineering
automation software announced today that it will be integrating Selling
Point, Concentra's laptop-based sales configuration and proposal generation
product, with i2's Rhythm 3.0 Global Supply Chain Management Solution.
     Working jointly, Concentra and i2 plan to further simplify product
integration as part of i2's Partners Excellence Program.
     Rhythm 3.0 is a breakthrough solution to global supply chain
management that views the total supply chain as a single entity and allows
for concurrent planning of manufacturing and distribution in real time,
taking all constraints into consideration. This holistic approach allows
forward thinking manufacturers to effectively meet customer needs while
realizing cost savings from improved supply chain management.
     "Selling Point is the ideal complement to Rhythm because it brings the
entire manufacturing enterprise to the point of sale," said Ken Sharma,
senior partner at i2 Technologies. "Selling Point allows the salesperson to
configure a customized or highly engineered product in real time during a
face-to-face sales call. Selling Point links with Rhythm 3.0 to access
"available to promise" delivery dates so salespeople can make accurate
delivery commitments at the point of sale."
     Selling Point uses high-level objects to model how and why a product
is configured. This customer needs based approach allows salespeople to:
     o Generate product configurations based on high-level
     customer requirements and preferences while the system
     automatically ensures compatibility of choices.
     o Generate product configurations based on geometric
     constraints such as space and fit requirements.
     o Generate realistic three dimensional (3D) custom product
     configurations.
     o Generate sale proposals and quotes by automating
     product outputs (e.g., price estimates, custom product
     graphics), and linking to major wordprocessing packages and
     enterprise data sources.
     o Generate accurate order fulfillment information
     (e.g., engineering drawings and Bills of Material)
     Selling Point's open architecture is designed for easy integration
with enterprise applications such as engineering and manufacturing systems,
contact managers, opportunity managers and marketing encyclopedias. "The
integration of Selling Point and Rhythm 3.0 delivers a unique tool for
companies to manage product flow from customer needs assessment through
final delivery," said Lawrence Rosenfeld, Concentra's CEO and chairman.
"This powerful combination of technologies and supporting methodologies
will enable companies to gain tremendous competitive advantage by meeting
goals of customization with lower costs and faster response times."
     About i2 Technologies
     Founded in 1988, i2 Technologies is the leader in supply chain
planning and scheduling solutions that provide improved responsiveness and
customer satisfaction at the lowest possible cost. The firm is

headquartered in Dallas, Texas and maintains offices across the US, Europe and Asia.

 About Concentra

 Concentra Corporation is the leading provider of object-oriented sales and engineering software solutions. Using Concentra's software, market-leading companies worldwide in the aerospace, automotive, industrial equipment and construction industries are creating customer-driven product designs, product configurations and sales proposals in minutes, not months. Headquartered in Massachusetts, the company maintains offices across the US, Europe and Asia.

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COMPANY NAMES: Concentra Corp.--Product development; I2 Technologies Inc. --Product development
INDUSTRY CODES/NAMES: BUS Business, General
DESCRIPTORS: Computer software industry--Product development
PRODUCT/INDUSTRY NAMES: 7372204 (Engineering, Mfg Software Pkgs)
SIC CODES: 7372 Prepackaged software
TICKER SYMBOLS: CTRA
FILE SEGMENT: NW File 649
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01755819 (USE FORMAT 7 OR 9 FOR FULLTEXT)
 MRP upstaged
 **(One trend in the software industry is that the top
 enterprise-resource-planning software companies are outright supplanting
 the core planning functions of their manufacturing-resource planning (MRP
 II) systems or are augmenting them with new scheduling software that
 provides real-time decision support)**
Industry Week, v 246, n 3, p 39+
February 03, 1997
DOCUMENT TYPE: Journal   ISSN: 0039-0895   (United States)
LANGUAGE: English   RECORD TYPE: Fulltext
WORD COUNT: 1768

ABSTRACT:
One trend in the software industry is that the top
enterprise-resource-planning software companies are outright supplanting
the core planning functions of their manufacturing-resource planning (MRP
II) systems or are augmenting them with new scheduling software that
provides real-time decision support to corporate planners as well as
production schedulers. One observer said, "It's only a matter of time
before the major ERP vendors jettison the old MRP idea for these new
systems." he predicts all leading ERP software firms will commit to
replacing their MRP planning systems with the new constraint-based
plannning and scheduling systems sometime this year. Constraint-based
scheduling software takes into account such factors as equipment shutdowns,
labor shortages, bottlenecks and shortfalls in materials in determining
when and where resources should be allocated to respond to customer orders.
The market for scheduling systems expected to boom in the next few years,
from about $100 mil in 1995 to $1 bil in 5 years.

TEXT:
New planning and scheduling systems are threatening the very existence of
manufacturing-resource-planning systems.

By Doug Bartholomew

Enterprise-Software Companies have heard the word, and it's "schedule."
Leading enterprise-resource-planning (ERP) software companies are either
outright replacing the core planning functions of their
manufacturing-resource-planning (MRP II) systems or are augmenting them
with new scheduling software that offers real-time decision support to
corporate planners and production schedulers.
"It's only a matter of time before the major ERP vendors jettison the old
MRP idea for these new systems," says John Bermudez, director of enterprise
applications research at Advanced Manufacturing Research (AMR) in Boston.
He predicts that all leading ERP software firms will commit to replacing
their MRP planning systems with the new constraint-based planning and
scheduling systems sometime this year.

Constraint-based scheduling software takes into account such factors as
equipment shutdowns, labor shortages, bottlenecks, and shortfalls in
materials in determining when and where resources should be allocated to
respond to customer orders. "It allows companies to be much more efficient
in planning the use of their resources, because most MRP systems don't take
into account potential constraints in labor, resources, or machinery,"
explains Ed Black, director of enterprise business applications at Aberdeen
Group, a Boston information-technology research firm.

SAP AG, the worldwide enterprise-applications leader based in Walldorf, Germany, agreed last November to embed i2 Technologies Inc.'s Rhythm constraint-based scheduling software into the next major edition of its R/3 system, version 4.0, to augment its planning functionality. Baan Co., jointly headquartered in Ede, Netherlands, and Menlo Park, Calif., last year acquired Quebec-based Berclain, a maker of advanced scheduling software. J.D. Edwards & Co., a Denver-based applications maker, is considering embedding such systems into its ERP software. And Oracle Corp., another big enterprise software player, has cooperative arrangements with several scheduling software providers, including i2 Technologies and the Red Pepper Software unit of PeopleSoft Inc.

The reasons for the shift -- all business-driven -- are clear enough. The speed of change that manufacturers must manage today is placing new demands on the shop floor to be more efficient, more flexible, and more productive. These demands, in turn, have required companies to find more intelligent ways to draw up the weekly or daily game plan for production.

The result is that the old inflexible MRP systems, once the quarterbacks of the manufacturing enterprise, are being benched in favor of faster, nimbler, smarter advanced planning and scheduling software. "This technology will fundamentally reshape what manufacturers are doing," claims Chris Roon, Red Pepper marketing director.

The market for scheduling systems is expected to boom in the next few years, from about $100 million in 1995 to $1 billion in five years, AMR predicts. Much of that growth will come at the expense of MRP sales. Part of the reason, of course, is that MRP systems simply haven't kept pace with the new time-based pressures on business. "At the core of most ERP systems there is still a very conventional MRP engine," explains Bermudez. "In fact, there has been very little focus on improving the basic MRP system over the last few years."

Beset by customer change orders, heightened competitive pressure for on-time deliveries, and a greater variety of product offerings, manufacturers have stretched their old planning and scheduling systems to the limit and found them wanting. At many companies, in fact, actual production scheduling continues to be done by a planner or expediter using his or her own expertise and a spreadsheet.

That's the case at Read-Rite Corp., a manufacturer of heads for computer disk drives. Although the company uses Computer Associates Inc.'s ManMan Classic software as its basic MRP system, a team of eight planners schedule production using a spreadsheet program. "The MRP aspects of the ManMan system never worked for Read-Rite, so we always did our planning on spreadsheets," says Brenda Fox, CIO at the Milpitas, Calif., firm.

One reason the company was forced to bypass the MRP system for planning is the unusual complexity of its fabrication-and-assembly process, combining both discrete and process manufacturing. Wafer-fabrication plants overseas and in the U.S. use a multistep process to create the basic materials from which the disk heads are later assembled. Read-Rite ships an estimated one million heads weekly to disk-drive makers such as Quantum Corp. and Western Digital Corp. on a make-to-order basis. The company also assembles something called a head stack -- a combination of heads used in multiplatter disk drives for the bigger gigabyte-or-larger drives.

A high degree of configurability of the product and the need to be able to quickly shift production and assembly operations are the chief reasons that Read-Rite decided in December to purchase a new manufacturing system from PeopleSoft Inc. Based in Pleasanton, Calif., PeopleSoft is using the sophisticated planning-and-optimization system of its Red Pepper acquisition as the core of its new manufacturing module. Read-Rite expects to have the new system up and running this spring on a Sun Microsystems

Inc. workstation.

"With the volumes we have, and the number of products and the complexity of our processes, we can't get the cycle time we want with our current systems," Fox says. The company will continue to run its worldwide weekly plan on the MRP system, she says, but planners will revise the production schedule daily or even more frequently as needed "to respond to customer changes on demand. We need the ability to respond to the new time frames of our customers," Fox says. She adds that Read-Rite already is using PeopleSoft's human-resources system as well as a financial module for managing the company's fixed assets.

Other manufacturers, particularly those in high-tech industries where the business changes almost as fast as the latest Pentium chip, find the capability for real-time scheduling absolutely essential. QUALCOMM Inc., a San Diego maker of digital cellular telephones that uses PeopleSoft's software for managing sales and distribution, recently purchased the Red Pepper system.

For QUALCOMM, the need for new software arose as sales growth soared. The company, which also markets a satellite-based system for truckers, saw its cellular business explode from 10,000 phones monthly to 300,000 in the last six months. Figuring out how fast the products can be made and delivered with that kind of growth is enough to drive any planner to distraction. The new software will be used to improve the company's available-to-promise capability, as well as to assign inventory to specific orders.

Initially, the company will continue to use its current MRP systems, one from Avalon Software Inc. and another homegrown, at different plants, but will manage its overall supply chain with Red Pepper. "We will use it as an adjunct to our existing MRP systems and as a potential replacement for them down the road," says Norm Feldheim, QUALCOMM's vice president of manufacturing information systems.

One company that is replacing the MRP-based planning altogether with advanced planning-and-scheduling software is 3M Co. The consumer-products giant, in an effort to develop tighter integration between manufacturing and a complex distribution network, has purchased a new scheduling software package from i2 Technologies of Irving, Tex.

3M is installing i2's Rhythm 3.0, a real-time, constraint-based scheduling system that considers a variety of potential limitations on production. Schedulers can take a rush order from a major customer, put it into the system on a desktop PC, and immediately create a revised production schedule. The result is more efficient use of equipment, labor, and materials.

The maker of Scotch tape, Scotchguard, Post-it Notes, and an estimated 50,000 other products is replacing the MRP planning activity at dozens of plants with the i2 system, which will be used to manage the replenishment of supplies. A key goal of the changeover is to reduce inventory maintained by the company's more than 100 plants and warehouses.

Companies that have been using constraint-based scheduling systems say the gains are well worth the investment, which, for the software alone, can easily cost a minimum of $500,000 for a large corporation.

For instance, at office furniture manufacturer Herman Miller Inc., use of i2's Rhythm contributed to an improvement in on-time delivery from 65% three years ago to 98.4% today. In other words, says Mark Groulx, senior vice president for operations and information technology at the Zeeland, Mich., company, "We went from $10 million or $12 million in late orders in 1993 to just $300,000 in late orders today." In the eyes of Herman Miller's customers, Groulx adds, "We've gone from being the Mets to the Yankees."

One of the biggest changes was the company's shift from a weekly plant production schedule to daily production scheduling using Rhythm. "We had plants that for years measured themselves against the weekly production schedule," he says, rather than against fulfilling needs of customers. "We went from making promises to our customers that we didn't keep, to making realistic promises and keeping them," Groulx adds.

The problem with the old method of grouping customer orders and batching them to be assigned to individual plants was that it failed to distinguish customers by identity and promised ship date. Consequently, late production of a small order sometimes caused hundreds of thousands of dollars in inventory to sit idle until equipment was freed up. Rhythm allowed the synchronization of activity at all five plants, so that both cycle times and inventories could be reduced, while on-time delivery levels soared.

Herman Miller made other changes in the business that helped streamline the order-to-delivery process. Manufacturing sites were reduced from 16 to nine. The company began shipping directly from final assembly locations, instead of from a single finished-goods warehouse.

Here, too, the scheduling software was invaluable. The new system orchestrates the sequential shipping of components of an order, so that the customer receives panel systems and partitions, then furniture, and finally accessories. All components are shipped directly from the plant, instead of from a distribution center, saving time while reducing inventory and finished-goods storage space.

USX Corp.'s U.S. Steel unit didn't have a traditional MRP system for its process-oriented manufacturing. Nonetheless, the company is installing i2's Rhythm to handle advanced planning for improving its order fulfillment to customers. "The key is to adapt the system to your business needs," says Bill Kelly, director of business process reengineering at the steelmaker.

At each plant, three or four schedulers use the system daily to replan production orders on the fly. "If a customer calls and needs an order delivered sooner, we replan the order and make sure it can be delivered more quickly," Kelly adds.

Faster, more responsive planning and scheduling is a requirement, not an option, if manufacturers are to succeed in today's fast-paced business environment. Says Kelly, "The customer base is demanding it."

INDUSTRY NAMES: Software
PRODUCT NAMES: Prepackaged software   (737200)
CONCEPT TERMS: All market information; Industry forecasts; Market size; Trends
GEOGRAPHIC NAMES: North America   (NOAX); United States   (USA)
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